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Major advances expected at home and in export market

Korean auto industry gears for boom times

EDITOR'S NOTE: *Staff Correspondent John Hartley has just returned from an extensive tour of the Korean auto industry. The first of a series of reports follows:*

By John Hartley
Staff Correspondent

SEOUL, Korea.—Barring an economic recession, the Korean auto industry seems set for strong growth fueled by exports.

Last year, 263,000 vehicles were produced in the Republic of Korea and this year output should comfortably exceed 300,000.

Led by the aggressive Hyundai Motors, part of a large engineering group which first made its mark in shipbuilding, the industry had built production up to well over 200,000 units in 1979. Then came the second energy crisis and sales crashed, exposing the weakness of an industry devoted entirely to the domestic market.

To help the car makers regain their strength, the military government forced the industry to rationalize. Initially, the government wanted Hyundai and Daewoo to merge, but the fact that General Motors owned 50 percent of Daewoo Motors—then Saehan Motors—forced the government to reconsider. In any event, Hyundai and Daewoo were banned from the production of light vans and trucks in the 1- to 5-tonne payload class.

Kia Industries was given the mandate to build such vans and trucks, but had to give up making the antiquated Briza, a Mazda GLC about 10 years out of date.

After that retrenchment, the market gradually recovered, so that last year production records were broken. In all, 263,000 vehicles were built, of which 50,000 were exported, and the big difference between the 1970s and the 1980s is that volume of exports. If the industry's new projects succeed, exports could form the hard, profitable core of the industry in the 1990s.

Hyundai has always been the driving force of the Korean auto industry, building a plant from scratch in the mid-1970s with a capacity of about 140,000 cars a year when demand was minuscule. Last year, it produced 139,000 vehicles and continued to take the lion's share of the domestic market, with registrations of 56,000 Ponys, 16,900 Stellars and almost 20,000 Pony trucks.

In addition, Hyundai exported over 12,000 Stellars, about 36,000 Ponys and a few trucks. In 1983, it produced 108,000 vehicles, of which 18,500 were exported, so

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A blend of the old and new

Korea's capital city, Seoul, has plenty of wide streets, scattered traffic, new buildings and sections of the old city wall.

He cites health of U.S. industry

Reagan to let VRA die

By Geoff Sundstrom
Washington Reporter

WASHINGTON.—Four years of U.S. Government-backed restrictions on Japanese car exports to this country will end March 31, President Reagan decided late last week.

A White House spokesman said the President had decided not to ask the Japanese for an extension of the Voluntary Restraint Agreement of Japanese autos in light of the healthy performance of the American auto industry and in hopes the Japanese would respond with "reciprocal" treatment in their acceptance of American exports.

The White House spokesman said the President made his decision in the interest of "free and fair trade" for the world's consumers.

Earlier last week, Chrysler Corp. Chairman Lee Iacocca sent word to the House Ways and Means Trade Subcommittee that "in a matter of days, Chrysler will be confirming to its Japanese partner, Mitsubishi Motors Corp., that we will require up to an additional 200,000 small Mitsubishi cars a year from Japan, in addition to the 87,500 per year we currently import."

The message was delivered by Robert S. Miller, Chrysler executive vice president for finance and administration. "In other words," Miller said, "we are preparing to roughly triple our imports of built-up Japanese cars.

"Chrysler has a strong, 15-year relationship with Mitsubishi. We already have port facilities, warranty agreements and a parts and service network. And our entire dealer network is familiar with Mitsubishi's products so, in essence, all we have to do is turn up the spigot," Miller said.

Earlier last month, Chrysler told congressional leaders that its decision on building an American P-car replacement for the Omni/Horizon subcompact hinged on whether the VRA is continued for a fifth year.

Even before Mr. Reagan's announcement last week, a Chrysler spokesman said the board of directors now assumes the VRA is "dead" and that "we want our share of the trade deficit, the same as General Motors."

The Chrysler spokesman also said that if the Japanese act to restrain vehicle exports to the U.S. on their own initiative, Chrysler will expect to get its share of vehicles, just as GM wants a share

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28,000 attend Detroit exposition

Technology stars at SAE show

By Roger Rowand
Engineering Editor

The SAE show in Detroit last week notched near-record attendance, a record high number of exhibitors and a staggering volume of technical presentations.

Some 28,000 attended the 1985 SAE International Congress and Exposition at Cobo Hall during an unseasonable spell of relatively warm, storm-free weather.

If head-in-the-door surveys, show-floor talks and nose-count asessments are valid, technical interest was highest in an odd mix of areas that ranged from safety to adhesives and electronics.

Safety sessions were better attended than in recent years. Those sessions covered such topics as accident simulation and the use of computer graphics in crash reconstruction.

Also rating high in attendance were the class-like meetings on joining techniques, electronic engine controls and testing and, of course, materials.

Adhesive bonding of steel parts and aluminum parts captured strong attention among the engineers who came from around the world. A strong degree of interest was obvious in techniques under development for using chemicals in bonding steel to aluminum and both those metals to plastic composites.

Electronics sessions and the displays featuring electronics products also held strong attraction. If an exhibit included a keyboard, a tube and a chair, the chances are it was in use much of the time.

Engineers seemed lured by electronics testing equipment, particularly engine analyzers.

Materials and their selection and processing normally capture a major share of the limelight during the SAE Show and the same held true this year.

The Aluminum Assn. used the show to describe how its lightweight, no-rust metal is moving strongly into a growing range of applications. Those include such major items as wheels, drive-

Continued on Page 49, Col. 1

Flying wedge

Subaru's new aero-designed XT Coupe

The four-wheel-drive Turbo is the top model of Subaru's new XT Coupe line. The car, a design departure for Subaru, features height-adjustable air suspension, fuel-injected and water-cooled turbocharged horizontally opposed engine and luxury interior with three-dimension digital instrument panel. Story, other picture are on Page 48.

breaking news

Chrysler cuts lease rate

HIGHLAND PARK.—Chrysler Credit during March 1-April 30 is offering special below-market "Gold Key Preferred Customer" lease rates of up to 48 months which, it told dealers, would save customers $900 on a typically equipped Chrysler Fifth Avenue or Diplomat and $800 on New Yorker and Dodge 600 models. The lease rates cover Fifth Avenue, E-Class New Yorker, Caravelle, Dodge 600, LeBaron GTS, Lancer, convertible LeBaron and Dodge 600, Plymouth Gran Fury, Dodge Diplomat and Caravan/Voyager. A customer who has a $500 "Thank You, America" certificate can also apply it toward these leases.

Chevy offers demo program

WARREN, Mich.—Chevrolet is signing up salespeople during March for a demonstrator incentive on Celebrity/Cavalier, running April 1-May 31. Salesmen get $25 gift certificates for every eight demo rides they give on these models. Sales managers qualify for $1,000 first-place or $500 second-place gift certificate drawings for every form with eight demo names they submit. Dealers split $25 cost with the factory.

NEWSPAPER

But 4th quarter trails 1983

First full-year profit since 1979 for AMC

American Motors showed a profit of $15.5 million for 1984, its first full-year profit since 1979, though profits for the fourth quarter of the year were down dramatically from the fourth quarter of 1983.

The $15.5-million profit for 1984 compares with a $146-million in 1983, which included a $4.5 million tax loss carryforward from previous years when AMC did not make a profit. The 1984 results also include a $5.4-million provision for AMC's employe investment plans' profit-sharing formula.

Sales for the year amounted to $4.2 billion, up 29 percent from $3.3 billion in 1983.

Capital spending for 1984 amounted to $217 million and is expected to increase in 1985, as the company is in the middle of a five-year expansion project.

For the fourth quarter of 1984, AMC's profits were $3.1 million, down 58 percent from $7.4 million in the same quarter the previous year. A $1.7-million tax loss carryforward was included in fourth-quarter results.

Sales for the quarter were $1.1 billion, virtually the same as in the comparable 1983 period.

In 1984, worldwide car and Jeep sales were 442,383 units, up from 383,462 in 1983. Automobile sales were 248,955 units, down from 270,019 in 1983, while Jeep sales were 193,426, up from 113,443.

For the quarter, worldwide sales were 103,133 units, down from 119,221 a year earlier. Automobile sales totaled 55,210 units, down from 72,475 a year ago. Jeep sales were 47,923, compared with 46,746 in 1983.

Jeep sales have been strong enough to warrant increasing production at the Toledo plant by 80 vehicles per day to a daily rate of 824 units, AMC President Jose J. Dedeurwaerder said in announcing the financial results.

However, with automobile sales sagging, AMC said it would extend for another month its 8.5-percent financing program to buyers of Renault Alliance, Encore, Sportwagon and Fuego.

Lancia's new rally weapon

Lancia's Delta S4 rally car has a 1,750-cc, four-cylinder, 16-valve engine which delivers 400 HP. The bodywork, which resembles that of the Delta, is laid on a light alloy tubular frame. The car has four-wheel drive.

Programs spread on small vehicles

AMC extends 8.5 pct. car loans

By Joseph Bohn
Marketing Editor

Low-interest financing is becoming an increasingly popular way to sell small cars.

American Motors is the latest to expand and extend 8.5 percent financing on a number of small-car lines.

AMC is offering 8.5 percent APR financing Renault Alliance, Encore, Sportwagon and Fuego models delivered through March 31.

The 8.5 percent is available on contracts up to 36 months; 9.5 percent is avaiable on 37-to-42-month contracts and 10.5 percent on 43-to-48-month contracts.

AMC previously offered low-interest financing on Alliance and Encore under programs that were due to expire Feb. 28. Fuego and Sportwagon are new to the program.

Joseph E. Cappy, AMC group vice president—sales and marketing, said that on a $7,000 loan, buyers save $535 with the 8.5 percent rate compared with the more normal 13 percent rate offered by financial institutions.

AMC's move was fairly predictable after both Chrysler Corp.and Ford Motor Co. kicked off low-interest finance programs of their own

Ford is offering 8.8 percent financing through Ford Motor Credit from Feb. 22 to April 22 on Tempo and Topaz compact cars. Contracts can run from 12 to 60 months. On cars not bought out of stock, orders must be received by Ford no later than March 25 to qualify for the low-interest loans.

The finance reserve for recourse dealers is 1.1614 percent and for non-recourse, 0.714 percent. With full recourse, the dealer picks up the vehicle if the buyer defaults on the loan and with non-recourse the lending institution is responsible for defaults.

Ford is also offering 8.8 percent financing on Ranger pickup trucks from Feb. 5 to March 31, and General Motors is offering 8.8 percent on its S-10 and S-15 pickups from Feb. 1 to March 31.

Chrysler is offering 8.8 percent financing on Omni/Horizon, Turismo/Charger and Laser/Daytona from Feb. 14 to April 30, as part of a five-pronged marketing program that also includes rebates on cars and trucks, automatic transmission giveaways and dealer trip contests.

Ford Division also launched a recent cash program for salespeople on 1984-85 F-150 full-sized pickup trucks equipped with manual transmissions. Under the program, which runs from Feb. 22 to April 22, sales people qualify for payments of $75, $100, $300 or $500 for each unit they retail, based on a randomly selected computer drawing.

Dealers contribute a non-refundable $25 per unit toward the cost of this program.

Chrysler near deal with Lotus on engine work

Chrysler Corp. is near finalization of a deal for advanced engine engineering with Group Lotus, according to Chrysler insiders. The agreement would add the prominent British engineering company to Chrysler's growing stable of outside support.

Toyota Motor Co., Ltd., owns 16.5 percent of Lotus and has been using Lotus engine expertise in advanced, high-output powerplants.

Chrysler considered West Germany's Porsche A.G. and Chrysler's Italian affiliate, Officini Alfieri Maserati S.p.A., before selecting Lotus.

Chrysler earlier had been talking to Maserati about a high-output, 3-cylinder multivalve engine suitable for both small cars and performance vehicles.

The new Lotus project is likely to concentrate on similar small-displacement engines, although Lotus recently unveiled a new high-output V-8 engine in England and has been looking for a U.S. customer for the engine.

Lotus also has considerable background in composite structures for cars.

—DAN MC COSH

Walsh and Bohn reassigned by Automotive News

Reassignment of two veteran Automotive News staff members has been announced by Robert M. Lienert, editor.

Jack Walsh has been named service editor, succeeding Francis J. Gawronski, who earlier was appointed Automotive News bureau chief in Tokyo. Walsh plans to retire at year-end.

Joseph J. Bohn will succeed Walsh as truck and recreation vehicle editor.

"The reassignments are intended to bring fresh approaches and new insights into coverage of these areas," Lienert said. "The changes are part of our continuing effort to upgrade our coverage of the industry."

Walsh has been with Automotive News since 1957. He first became service editor in 1969 and has been truck editor since 1971. He holds an AB degree from Syracuse University.

Bohn, who joined Automotive News in 1970, has served as marketing editor since 1977. He has a BA degree from Michigan State University and an MA from Wayne State University.

Jack Walsh

Joseph J. Bohn

Hanon remains on AMC board; but for how long?

Although he was ousted as head of the Renault Group earlier this year, Bernard Hanon remains a member of the American Motors board of directors.

Hanon was in Detroit Feb. 22 for an AMC board meeting, almost a month after he was abruptly fired and Georges Besse was installed as president—director-general of state-owned Renault.

Renault controls 46 percent of AMC and has five seats on AMC's 14-member board. The "Renault-suggested" members of the AMC board include three officers of the French company plus Hanon and New York investment banker Felix Rohatyn.

Besse, who previously chaired another nationalized French concern, is not a member of the American Motors board.

An AMC spokesman last week said Hanon's status relative to American Motors has not changed.

"He is still on the board," said the spokesman. "But you would expect Renault will make some kind of suggestion as to whether he will remain or a change will be made."

Any shift in Renault's board representation would likely be made at American Motors' annual meeting in April. A proxy statement is due later this month.

—RICHARD JOHNSON

Sales reach 9-year high in mid-Feb.

By Jenny L. King
Detroit Reporter

Sales of domestic new cars in mid-February were the highest for the period in nine years. They squeezed past the year-ago number by 3,500 units and pushed the year-to-date figure past the one-million mark.

The total for Feb. 11-20 was 228,761, up 1.55 percent from 225,260 a year earlier. The current period had the advantage of an extra selling day—nine vs. eight in 1984—and on a daily-rate basis, sales were down 9.73 percent, to an average of 25,418 from 28,158.

Year-to-date sales were 3.19 percent ahead of 1984, adding to 1,022,019 compared with 990,383 a year earlier.

Chrysler Corp. reported the healthiest sales gain among the major auto makers, its mid-February sales up 29.71 percent, to 35,619 from 27,461. Ford Motor Co. also was up, to 60,813 from 53,383, or 13.92 percent.

General Motors reported sales of 124,924, down 7.54 percent from 135,118. Volkswagen sales were up 15.50 percent, to 2,124 from 1,839, while Honda was up 6.30 percent, to 2,481 from 2.334. American Motors' estimated sales of 2,800 for the period were off 45.37 percent from the year-ago 5,125.

GM's share of the mid-month market slipped to 54.61 percent from 59.98 percent last year. Ford claimed 26.58 percent, an increase of nearly three percentage points from 23.70 percent.

Chrysler was up to 15.57 percent from 12.19 percent. AMC was fourth with 1.22 percent, down from 2.28 percent. Honda sales accounted for 1.09 percent of the total, up from 1.03 percent, and VW had 0.93 percent, up from 0.82 percent.

Makes with sales increases were Plymouth, up 51.96 percent; Dodge, up 31.68 percent; Chrysler, up 6.92 percent; Ford, up 14.12 percent; Mercury, up 12.62 percent; Lincoln, up 16.53 percent; VW, up 15.50 percent, and Honda, up 6.30 percent.

Buick sales were up 18.38 percent, to a record 24,077 from 20,338.

GM's other four car divisions were down. Cadillac sales fell 18.93 percent, Chevrolet was down 4.23 percent, Oldsmobile was down 22.21 percent and Pontiac dropped 10.27 percent. American Motors' AMC sales were down an estimated 73.33 percent, and Renault was down 37.50 percent.

DOMESTIC SALES

	Feb. 11-20, 1985	Feb. 11-20, 1984
Renault		
Alliance-Encore	2,500	4,000
AMC	300	1,125
AMERICAN MOTORS	2,800	5,125
Chrysler	9,428	8,818
Plymouth	12,301	8,095
Dodge	13,890	10,548
CHRYSLER CORP.	35,619	27,461
Ford	39,875	34,940
Mercury	15,946	14,159
Lincoln	4,992	4,284
FORD MOTOR CO.	60,813	53,383
Buick	24,077	20,338
Cadillac	7,839	9,669
Chevrolet	45,739	47,761
Oldsmobile	27,312	35,110
Pontiac	19,957	22,240
GENERAL MOTORS	125,924	135,118
VOLKSWAGEN	2,124	1,839
HONDA	2,481	2,334
U.S. INDUSTRY TOTAL	228,761	225,260

Estimate

Pa. governor opposes grants to lure Saturn

HARRISBURG, Pa.—Legislation providing $25 million to lure the Saturn Corp. plant to Pennsylvania has been passed by a vote of 185 to 3 in the state House of Representatives, but Gov. Richard Thornburgh is opposed to the bill.

The money would come from a state surplus and could be used for either grants or loans.

Thornburgh said, "General Motors earned $4.5 billion last year. The notion that we are going to make a difference in their determination about where they locate their new plant by giving them . . . low-intrest loans is not admissible.

Approval of the Democratic-controlled House sent the fund bill to the Republican-controlled Senate."

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60th year—No. 5064

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TRANSMISSION OPTIONS ON 1984 U.S. MODELS

	Automatic Transmission	Percent of Output	4-Speed Manual	Percent of Output	5-Speed Manual	Percent of Output
AMERICAN MOTORS	104,430	50.1	51,604	24.7	52,590	25.2
Alliance	64,743	53.5	26,986	22.3	29,286	24.2
Encore	39,687	45.3	24,618	28.1	23,304	26.6
CHRYSLER CORP.	962,675	83.1	35,221	3.0	159,882	13.8
Plymouth Total	291,216	83.2	17,766	5.0	40,849	11.7
Horizon	95,840	64.8	13,459	9.1	38,602	26.1
Reliant	180,691	96.5	4,307	2.3	2,247	1.2
Gran Fury	14,685	100.0	.....	.....	.....	.....
Chrysler Total	340,392	90.6	.....	.....	35,461	9.4
LeBaron	111,137	99.4	.....	.....	671	0.6
Laser	34,930	50.1	.....	.....	34,790	49.9
New Yorker — E-Class	106,240	100.0	.....	.....	.....	.....
Fifth Avenue	88,085	100.0	.....	.....	.....	.....
Dodge Total	331,067	76.6	17,455	4.0	83,572	19.3
Omni	81,222	57.0	13,537	9.5	47,735	33.5
Aries	144,674	96.0	3,918	2.6	2,110	1.4
Daytona	21,829	40.7	.....	.....	31,806	59.3
Dodge 600K	23,868	98.4	.....	.....	388	1.6
Dodge 600E	35,848	95.9	.....	.....	1,533	4.1
Diplomat	23,626	100.0	.....	.....	.....	.....
FORD MOTOR CO.	1,436,411	79.2	151,955	8.4	225,157	12.4
Ford Total	862,225	73.0	129,703	11.0	188,780	16.0
Escort	160,260	48.3	100,536	30.3	71,006	21.4
Mustang	83,332	58.9	18,251	12.9	39,897	28.2
LTD	213,742	100.0	.....	.....	.....	.....
Thunderbird	159,124	93.3	.....	.....	11,427	6.7
Crown Victoria	86,084	100.0	.....	.....	.....	.....
EXP	3,867	16.8	.....	.....	19,149	83.2
Tempo	155,816	72.8	10,916	5.1	47,301	22.1
L-M Total	574,186	90.7	22,252	3.5	36,377	5.7
Mercury Total	416,752	87.7	22,252	4.7	36,377	7.7
Lynx	31,244	47.3	18,562	28.1	16,250	24.6
Capri	13,149	63.7	3,096	15.0	4,397	21.3
Marquis	107,812	100.0	.....	.....	.....	.....
Cougar	131,171	100.0	.....	.....	.....	.....
Grand Marquis	90,431	100.0	.....	.....	.....	.....
Topaz	43,035	72.5	594	1.0	15,730	26.5
Lincoln Total	157,434	100.0	.....	.....	.....	.....
Continental	30,468	100.0	.....	.....	.....	.....
Lincoln	93,622	100.0	.....	.....	.....	.....
Mark VI/VII	33,344	100.0	.....	.....	.....	.....
GENERAL MOTORS	4,519,533	90.6	267,359	5.4	201,290	4.0
Buick Total	960,332	97.2	10,201	1.0	17,447	1.8
Skylark	109,734	98.7	1,477	1.3	.....	.....
Skyhawk	119,222	82.0	8,724	6.0	17,447	12.0
Century	219,858	100.0	.....	.....	.....	.....
Regal	224,754	100.0	.....	.....	.....	.....
LeSabre & Electra (rwd)	228,901	100.0	.....	.....	.....	.....
Riviera	57,863	100.0	.....	.....	.....	.....
Cadillac Total	298,723	99.5	.....	.....	1,577	.5
Cimarron	20,321	92.8	.....	.....	1,577	7.2
Seville	39,997	100.0	.....	.....	.....	.....
Eldorado	77,806	100.0	.....	.....	.....	.....
Cadillac	160,599	100.0	.....	.....	.....	.....
Chevrolet Total	1,581,739	85.8	151,994	8.2	110,684	16.0
Chevette	149,269	61.2	83,171	34.1	11,463	4.7
Cavalier	365,463	79.0	45,799	9.9	51,350	11.1
Celebrity	305,886	98.9	3,402	1.1	.....	.....
Camaro	208,489	79.7	5,232	2.0	47,871	18.3
Citation	97,197	95.1	5,008	4.9	.....	.....
Monte Carlo	136,778	100.0	.....	.....	.....	.....
Chevrolet	276,492	100.0	.....	.....	.....	.....
Corvette	42,165	81.8	9,382	18.2	.....	.....
Oldsmobile Total	1,132,025	98.9	3,293	0.3	8,907	0.8
Omega	52,085	98.3	901	1.7	.....	.....
Firenza	71,176	86.3	2,392	2.9	8,907	10.8
Cutlass Supreme	309,124	100.0	.....	.....	.....	.....
Cutlass Ciera	280,839	100.0	.....	.....	.....	.....
Olds 88	370,701	100.0	.....	.....	.....	.....
Tornado	48,100	100.0	.....	.....	.....	.....
Pontiac Total	546,714	76.9	101,871	14.3	62,675	8.8
6000	122,193	100.0	.....	.....	.....	.....
2000 Sunbird	128,322	75.8	5,756	3.4	35,212	20.8
1000	35,749	64.9	16,360	29.7	3,085	5.6
Firebird	102,002	79.5	1,925	1.5	24,378	19.0
Phoenix	21,865	95.7	982	4.3	.....	.....
Grand Prix	53,222	100.0	.....	.....	.....	.....
Parisienne	25,624	100.0	.....	.....	.....	.....
Fiero	57,737	42.9	76,848	57.1	.....	.....
HONDA	53,443	45.6	.....	.....	63,757	54.4
VOLKSWAGEN	16,480	15.8	31,812	30.5	56,010	53.7
Total Cars	7,092,972	84.5	537,951	6.4	758,686	9.0

An Ad in the Classified Section of Automotive News Brings Quick Results

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VIRGINIA

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U-M survey reveals some price resistance, too

Car-buying intentions show a dip

ANN ARBOR, Mich.—Favorable attitudes toward the purchase of a car were held by 55 percent of all families in the fourth quarter, down from 58 percent a year earlier.

Retailing, however, held at a level comparable with the cyclical peak of the late 1970s.

At the same time, some price resistance was noted.

These are among the findings of the latest Survey of Consumer Attitudes by the University of Michigan's Institute for Social Research.

Generally speaking, the survey found that the current financial situation of American families—following the best year of improvement in two decades—indicates that improved consumer spending will continue through late 1985.

In the absence of rising price pressures, the survey showed, buy-in-advance attitudes have been replaced by more attention to price discounts in making purchases. More price resistance and increased comparison shopping can be expected, the ISR said.

The fourth quarter 1984 survey of a nationwide sample of more than 2,000 persons showed the ISR Index of Consumer Sentiment at 95.0, down from 98.9 one quarter earlier and below the cyclical peak of 99.5 recorded in the first quarter of 1984. (February, 1966100.)

"Despite this small year-end decline, the average level of consumer confidence recorded during 1984 was higher than in any year since the late 1960s," said Richard T. Curtin, survey director.

Curtin attributed the year-end decline in consumer sentiment to "the transition from the prolonged enthusiasm which accompanies the rapid recovery to the accustomed awareness of the ongoing economic expansion."

He added, "Thus far, most of the decline has been concentrated in movement from expectations for continued improvement toward the expectation that economic conditions would remain largely unchanged, rather than toward unfavorable expectations.

"Even if there are darkening clouds on the horizon, they are viewed as sufficiently distant so as not to cause concern with prospects in the near term."

The survey found that among all families, 44 percent reported that their financial situation had improved, just below the 45 percent recorded in each of the first three quarters of 1984. By comparison, the 1972 and 1965 peaks (47 percent and 50 percent, respectively) were slightly higher, but sustained for only one quarter each.

Expectations for 1985 financial improvement, expressed by 38 percent of all families, have not been based on higher income expectations, but rather on the expectation that inflation would continue at low levels, ISR said.

Since the financial optimism is based on low rates of inflation and limited income increases, "consumers have adopted a somewhat more cautious outlook toward use of savings or debt to finance major purchases," Curtin said.

The chief concern among consumers appears to be over job prospects. For the first time in two years, the proportion of families (21 percent) that expected a decline in the aggregate unemployement rate fell below the proportion (25 percent) that expected increases in unemployment.

Ford Credit boosts earnings 10th year in row

DEARBORN.—Ford Motor Credit Co. reported record earnings of $310.4 million in 1984, up $18.6 million over the previous record of $291.8 million established a year earlier.

"This favorable performance was Ford Credit's 10th consecutive year of earnings increases," said James W. Ford, chairman.

Ford Credit said it was able to increase its earnings in 1984, despite lower interest margins, because of record levels of vehicle financing. Retail and lease financing was provided for more than 1.1 million vehicles in the U.S., exceeding the one-million level for the second year in a row.

Fourth-quarter profits were $71.3 million, compared with $63.7 million in 1983. At Dec. 31, 1984, receivables totaled $26.6 billion, up $5.6 billion from a year earlier.

factories list auction dates

American Motors

March 5—High Point Auto Auction, High Point, N.C., and D-A Auto Auction, New Stanton, Pa.

March 6—Columbus Fair Auto Auction, Obetz, O., and Central States Auto Auction, Mason City, Ia.

March 7—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

March 12—Aptco Auto Auction, Taylor, Mich.

March 13—Metro Milwaukee Auto Auction, Caledonia, Wis.; Kansas City Auto Auction, Kansas City, and Southern Auto Auction, Warehouse Point, Conn.

March 14—Corry Auto Auction, Corry, Pa.; Northway Exchange, Clifton Park, N.Y.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

March 15—St. Louis Auto Auction, Bridgeton, Mo.

March 19—High Point Auto Auction, High Point, N.C.; D-A Auto Auction, New Stanton, Pa.; Columbus Fair Auto Auction, Obetz, O.; Central States Auto Auction, Mason City, Ia., and Metro Milwaukee Auto Auction, Caledonia, Wis.

March 21—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

March 26—Aptco Auto Auction, Taylor, Mich.

March 27—Kansas City Auto Auction, Kansas City, and Southern Auto Auction, Warehouse Point, Conn.

March 28—Corry Auto Auction, Corry, Pa.; Northway Exchange, Clifton Park, N.Y.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

Ford Motor Co.

March 5—Harrisonburg Auto Auction, Harrisonburg, Va.

March 6—Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Northstar Auto Auction, Shakopee, Minn., and Golden Gate Auto Auction, Fremont, Calif.

March 7—Nashville Auto Auction, Nashville.

March 13—Columbus Fair Auto Auction, Obetz, O.; Concord Auto Auction, Acton, Mass., and Southwest Auto Auction, Phoenix.

March 14—Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas, and Denver Auto Auction, Englewood, Colo.

March 20—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

March 21—Aptco Auto Auction, Taylor, Mich.; 166 Auto Auction, Springfield, Mo., and Skyline Auto Exchange, Fairfield, N.J.

March 22—Big H Auto Auction, Houston.

March 27—Northway Exchange, Clifton Park, N.Y., and Clanton's Auto Auction, Darlington, S.C.

March 28—St. Louis Auto Auction, Bridgeton, Mo.

General Motors

March 6—Golden Gate Auto Auction, Fremont, Calif., and Hatfield Auto Auction, Hatfield, Pa.

March 7—Aptco Auto Auction, Taylor, Mich.; St. Louis Auto Auciton, Bridgeton, Mo.; Dallas Auto Auction, Dallas, and Florida Auto Auction of Orlando, Orlando.

March 13—Northstar Auto Auction, Shakopee, Minn., and Brasher's Auto Auction, Fontana Calif.

March 14—166 Auto Auction, Springfield, Mo., and Nashville Auto Auction, Nashville.

March 19—Southern Auto Auction, E. Windsor, Conn., and South Seattle Auto Auction, Kent, Wash.

March 20—Metro Auto Auction, Kansas City, Mo.

March 21—Indianapolis Auto Auction, Indianapolis, and Southwest Auto Auction, Phoenix.

March 27—Brasher's Salt Lake Auto Auction, Salt Lake City, and Clanton's Auto Auction, Darlington, S.C.

March 28—Butler Auto Auction, Gibsonia, Pa., and Arena Auto Auction, Chicago.

Used Car Sales
Auction Averages

February 1985	$4,782
Month ago	$4,451
Year ago	$4,879

Model Breakdown
Auction Averages

	FEB. 1985	JAN. 1985	DEC. 1984
1985	$14,691	$11,375	
1984	$8,850	$8,726	$9,531
1983	$6,171	$5,978	$6,760
1982	$5,185	$5,343	$5,112
1981	$4,049	$4,350	$4,454
1980	$3,301	$3,600	$3,528
1979	$2,742	$2,771	$3,932
1978	$1,907	$2,117	$2,047
Overall Average	$4,782	$4,992	$4,863

Makers schedule 180,205 cars

Auto production best in 5 weeks

By Louise Kertesz
Detroit Reporter

U.S. auto makers scheduled the highest production in five weeks last week, targeting output in the 180,000s for the first time since the week ended Jan. 19.

Last week's estimated build of 180,205 cars was 6.24 percent higher than the previous week's 169,617 and 14.73 percent more than the 157,070 for the year-ago week.

The year-to-date pace of 1,477,653 cars assembled is a bit ahead of (up 1.17 percent) the 1,460,638 units completed last year at this point.

Companies shared last week's estimated production as follows: General Motors, 57.70 percent; Ford Motor Co., 21.28 percent; Chrysler Corp., 15.76 percent; American Honda, 2.10 percent; American Motors, 2.03 percent; Volkswagen of America, 1.11 percent, and New United Motor Mfg., Inc., 0.02 percent.

Production of the Ford EXP was halted at Ford's Wayne (Mich.) assembly plant last week to facilitate mid-year model changeover of the Ford Escort and Mercury Lynx, which are the facility's principal products. Escort and Lynx are still being built at Wayne.

All three models will get new front ends, with the Escort and Lynx scheduled first in the changeover.

GM scheduled two overtime shifts Saturday (March 2) at the following plants: Lansing (Oldsmobile Nos. 1 and 2); Arlington, Tex.; Doraville, Ga.; Framingham, Mass.; Janesville, Wis., and Lordstown, O.

One overtime shift was scheduled at GM's plant in Wentzville, Mo.

Ford scheduled Saturday overtime at its plants in Atlanta and Dearborn.

Chrysler scheduled two overtime shifts Saturday at its plants in St. Louis (No. 2), Newark, Del., and Detroit (Jefferson).

The St. Louis and Newark plants, as well as Chrysler's Belvidere (Ill.) facility, are scheduled to operate two nine-hour daily shifts this week (March 4).

Chrysler's Jefferson plant is slated to work two 8½-hour daily shifts this week.

Honda scheduled daily and Saturday overtime last week at its Marysville (O.) plant. Until the end of March, the Honda plant will work 16 hours of overtime per week.

Chrysler Financial removes credit curbs of rough days

By Michelle Krebs
Financial Editor

TROY, Mich.—Chrysler Financial Corp. is refinancing its private debt, eliminating the last reminder of Chrysler's economic hard times.

E.O. Grote, president of Chrysler Financial, said the auto maker's financing subsidiary is negotiating with its banks for a two-year, $3-billion revolving credit agreement as well as a $1 billion receivables sales facility, which would allow Chrysler Financial to call its banks and sell its receivables if it were cost effective to do so.

In Canada, Chrysler Financial is negotiating a similar arrangement amounting to $550 million.

Grote said the commitments are in place, and the deals should be wrapped up by April 1.

"What it means to Chrysler Financial is that we will have removed the last remaining restrictions on the company that resulted during Chrysler's problems of a few years ago," Grote said.

"The company will be positioned whereby all of our financing will be on a conventional basis, and this now puts us in a position to be totally competitive in the marketplace.

"Not only will we be able to match what our competition might do, but we will also be able to become innovative in our own way," he said.

Because of its parent company's financial problems, Chrysler Financial was forced out of the public term debt market in 1977. In December, 1983, it returned with a $300 million, five-year term public debt offering.

In 1984, Chrysler Financial did an additional $1.9 billion of public term debt financing, which has allowed the financing subsidiary to borrow at lower rates.

Police recover Chrysler parts

DETROIT.—Police and federal agents recovered $680,000 worth of auto parts stolen from Chrysler Corp.'s Jefferson Avenue assembly plant here. Authorities said they are still investigating and hope to recover more parts and make arrests.

Detroit Police and the Wayne County Organized Crime Task Force began their probe in September and called in U.S. Customs in November when it was discovered that $337,000 worth of starter motors for the 2.6-liter engine were missing. Those had been imported under provisions for a Foreign Trade Zone: Duty is due only when the parts are used, not when they first come into the country.

Slightly more than half those starter motors—1,700—are still missing, said Richard Hoglund, special agent in charge, U.S. Customs, here.

Makers build 67,513 trucks; down for week

Targeted domestic truck production of 67,513 units last week was down a bit (3.40 percent) from the previous week's 69,890 but was 16.73 percent better than the year-ago week's 57,837.

So far this year, 569,169 trucks have been built, 5.99 percent more than the 536,994 completed last year at this point.

General Motors scheduled two overtime shifts Saturday (March 2) at its plants in Janesville, Wis.; St. Louis; Lordstown, O., and Pontiac (No. 5).

Canada climbs above 20,000 in auto production

Canadian auto production climbed above 20,000 units last week after three weeks of lower output partly due to bad weather.

Last week's build was pegged at 20,094 cars, 2.46 percent more than the 19,611 built the previous week and 8.96 percent better than the 18,441 for the year-ago week.

But the year-to-date total of cars assembled continues to trail 1984's, as it has since the first week of January.

So far this year, 171,036 cars have been completed, 10.99 percent fewer than the 192,154 finished last year at this point.

Canadian truck makers scheduled about the same output last week as the previous week (18,704 units versus 18,778, a dip of 0.39 percent), but last week's targeted build was up 34.60 percent over the year-ago week's 13,896.

With 154,873 trucks completed since the beginning of the year, the total build continues higher (up 5.84 percent) than corresponding 1984 production. At this point last year, 146,330 trucks were assembled.

Chrysler's Windsor (Ont.) plant scheduled production of 2,604 Plymouth Voyagers, 2,718 Dodge Caravans and 594 Mini Ram Vans last week, bringing the T-115 total for the year to 48,956.

CANADIAN CAR PRODUCTION

	Week Ended March 2, 1985	Week Ended March 3, 1984	Week Ended Feb. 23, 1985	Feb Est	Jan 1 to March 3, 1984	Jan. 1 to March 2, 1985
AMERICAN MOTORS	600	478	570	1,050	5,351	2,134
FORD MOTOR	10,426	7,167	11,125	42,300	67,057	94,041
GENERAL MOTORS	8,843	10,559	8,306	34,547	117,830	72,971
VOLVO	225	237	180	855	1,916	1,890
Total Cars, Canada	20,094	18,441	19,611	78,752	192,154	171,036

TRUCK PRODUCTION IN U.S.☆

	Week Ended March 2, 1985	Week Ended March 3, 1984	Week Ended Feb. 23, 1985	Feb Est	Jan 1 to March 3, 1984	Jan. 1 to March 2, 1985
CHEVROLET	20,601	16,850	22,547	89,825	175,151	191,923
DODGE	4,100	3,769	4,169	15,229	36,272	33,566
FORD	25,182	24,385	25,787	98,330	202,759	199,108
GMC	6,972	5,461	7,020	28,953	54,457	57,929
INTERNATIONAL	1,640	1,184	1,637	6,015	12,105	12,724
JEEP	4,300	2,921	4,400	16,615	30,356	34,626
NISSAN	2,948	2,217	2,560	10,901	16,654	21,563
AM GENERAL	50*	50*	50*	200	440*	430*
MISCELLANEOUS	1,720*	1,000*	1,720*	7,716*	8,800*	17,300*
Total Trucks, U.S.	67,513	57,837	69,890	273,784	536,994	569,169

CANADIAN TRUCK PRODUCTION

	Week Ended March 2, 1985	Week Ended March 3, 1984	Week Ended Feb. 23, 1985	Feb Est	Jan 1 to March 3, 1984	Jan. 1 to March 2, 1985
CHRYSLER CORP.	8,568	6,469	8,694	31,289	59,753	71,228
FORD MOTOR	3,648	2,379	3,624	13,932	29,775	30,113
GENERAL MOTORS	6,248	4,930	6,219	24,969	55,557	51,606
INTERNATIONAL	240	118	241	972	1,245	1,926
Total Trucks, Canada	18,704	13,896	18,778	71,163	146,330	154,873
N. American Trucks	86,217	71,733	88,668	344,947	683,324	724,042

☆ — Now includes window van production. *— Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U. S. CAR PRODUCTION

	Week Ended March 2, 1985	Week Ended March 3, 1984	Week Ended Feb. 23, 1985	Feb Est	Jan 1 to March 3, 1984	Jan. 1 to March 2, 1985
AMERICAN MOTORS	3,650	.....	.....	6,646	31,769	15,144
Renault Total	3,650	.....	.....	6,646	31,769	15,144
Alliance	1,950	.....	.....	3,901	15,962	9,223
Encore	1,700	.....	.....	2,745	15,807	5,921
CHRYSLER CORP.	28,400	21,362	25,988	96,434	223,261	212 652
Plymouth Total	8,500	6,791	7,923	28,650	67,688	62,271
Horizon	2,600	3,072	2,749	9,747	27,105	21,245
Reliant	4,100	3,312	3,608	12,869	36,603	27,713
Caravelle	1,400	179	1,201	4,694	1,418	10,410
Gran Fury	400	228	365	1,339	2,562	2,903
Chrysler Total	9,500	6,546	8,227	31,451	71,309	72,546
LeBaron	2,400	2,003	2,188	8,728	22,439	19,762
LeBaron GTS	1,700	.....	1,643	5,488	.....	11,804
Laser	900	852	778	3,139	13,376	8,538
New Yorker E-Class	1,700	1,986	1,449	5,627	18,163	12,109
Fifth Avenue	2,800	1,705	2,169	8,468	17 331	20,333
Dodge Total	10,400	8,025	9,838	36,333	84,264	77,835
Omni	2,900	2,649	2,746	10,192	24,595	22,646
Aries	2,800	2,895	2,557	9,832	29,384	20,735
Daytona	900	757	1,092	3,803	11,454	8,013
Dodge 600	1,800	1,206	1,599	6,139	14,405	13,018
Lancer	1,200	.....	1,165	3,972	.....	8,626
Diplomat	800	518	679	2,397	4,426	4,795
FORD MOTOR	38,358	39,348	35,962	144,724	288,280	322,426
Ford Division	26,682	26,928	24,197	96,252	192,009	212,477
Escort	7,375	8,317	5,649	26,823	59,152	58,683
Mustang	4,196	2,903	3,205	13,737	21,494	29,837
LTD	5,124	4,862	5,138	18,669	42,221	42,124
Thunderbird	5,962	4,069	5,955	20,438	29,859	38,399
Crown Victoria	.....	2,029	.....	.....	13,887	7,122
EXP	.....	630	257	1,479	5,924	3,838
Tempo	4,025	4,118	3,993	15,105	19,472	32,474
L-M Division	11,676	12,420	11,765	48,473	96,271	109,949
Mercury Total	8,166	8,824	8,163	34,294	68,496	79,365
Lynx	2,075	1,509	1,562	6,945	12,336	14,858
Capri	444	358	823	2,508	3,038	4,279
Marquis	1,828	2,123	1,836	8,158	16,831	18,611
Cougar	2,694	2,198	2,809	11,263	13,820	25,747
Grand Marquis	.....	1,596	.....	.....	16,791	4,733
Topaz	1,125	1,040	1,133	5,420	5,682	11,137
Lincoln Total	3,510	3,596	3,602	14,179	27,773	30,584
Continental	637	660	643	2,570	5,112	5,546
Lincoln	2,486	2,248	2,551	10,042	14,197	21,662
Mark VI/VII	387	688	408	1,567	8,464	3,376
GENERAL MOTORS	103,975	92,115	102,138	403,158	876,438	882,870
Buick Total	17,918	21,876	19,164	74,018	189,743	168,430
Skylark	2,349	2,222	2,277	9,554	17,810	21,113
Skyhawk	1,862	3,829	2,778	9,261	29,309	18,387
Somerset Regal	2,807	.....	2,766	10,351	.....	21,069
Century	4,159	5,191	4,578	17,547	40,553	38,558
Regal	1,864	4,603	1,575	6,379	41,079	19,003
LeSabre/Electra	1,254	5,051	1,293	6,767	48,729	25,159
Riviera	1,248	980	1,515	5,408	10,770	11,190
Electra (fwd)	2,375	.....	2,382	8,751	1,493	13,951
Cadillac Total	8,060	5,319	8,111	31,521	60,130	68,582
Cimarron	732	356	600	2,513	4,093	4,866
Seville	822	798	993	3,597	7,097	7,595
Eldorado	1,468	1,386	1,755	6,389	13,018	13,858
Cadillac (rwd)	1,068	2,779	921	4,230	34,548	10,007
DeVille (fwd)	3,970	.....	3,842	14,792	1,284	32,256
Chevrolet Total	36,353	30,126	37,610	144,487	302,565	315,250
Chevette	3,029	4,836	3,629	12,929	38,395	28,424
Cavalier	10,831	6,256	9,452	39,785	75,586	85,406
Celebrity	5,340	5,691	6,303	22,771	53,707	49,810
Camaro	5,091	5,012	4,838	18,564	47,662	40,545
Citation	1,651	1,637	1,769	6,553	17,320	14,309
Malibu/El Camino	.....	627	.....	.....	5,595	.....
Monte Carlo	3,782	3,221	3,818	14,081	36,232	26,851
Chevrolet	5,629	2,223	6,790	25,805	21,554	63,003
Corvette	1,000	623	1,011	4,000	6,514	6,902
Oldsmobile Total	27,452	25,198	23,877	101,148	225,210	220,426
Omega	.....	1,173	.....	.....	8,716	.....
Firenza	1,569	1,615	735	5,164	12,917	12,468
Cutlass Supreme	4,522	7,506	3,782	14,527	67,218	33,762
Cutlass Ciera	8,773	5,797	6,961	31,997	45,254	68,653
88/98 (rwd)	4,602	8,312	4,674	19,435	81,906	45,789
Olds 98 (fwd)	2,950	.....	3,288	12,378	1,336	24,662
Calais	4,149	.....	3,434	13,835	.....	26,828
Toronado	887	795	1,003	3,811	7,863	8,264
Pontiac Total	14,192	9,596	13,376	51,984	98,790	110,182
Acadian**	.....	193	262	749	3,117	1,906
2000 Sunbird	3,275	2,329	3,092	11,984	26,212	25,572
1000	626	708	739	2,591	7,284	5,785
Firebird	2,749	2,103	2,586	9,952	20,161	21,799
Phoenix	.....	235	.....	.....	2,892	.....
Grd. Prix/Bonneville	.....	1,560	.....	.....	12,897	.....
6000	610	.....	577	2,286	.....	3,953
Parisienne	1,426	441	1,755	6,166	4,207	13,340
Fiero	2,400	2,027	2,376	9,176	22,020	18,776
Grand Am	3,106	.....	1,989	9,080	.....	19,051
HONDA	3,777	1,890	3,555	12,856	20,004	27,564
NUMMI (Nova)	45*	.....	40*	117*	.....	150*
VOLKSWAGEN	2,000	2,355	1,934	7,987	20,886	16,847
Total Cars, U.S.	180,205	157,070	169,617	671,922	1,460,638	1,477,653
Total Cars, Canada	20,094	18,441	19,611	78,752	192,154	171,036
N. American Cars	200,299	175,511	189,970	750,674	1,652,792	1,648,689
N. American Trucks	86,217	71,733	88,668	344,947	683,324	724,042
North American Cars and Trucks	286,516	247,244	277,896	1,095,621	2,336,116	2,372,731

*Revised estimate
**— All Acadians are built for sale in Canada
Monthly estimates may contain error of one or two units due to rounding

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Automotive News

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Chrysler charts new plan for post-VRA operations

By Edward Lapham
Marketing Editor

Chrysler Corp. last week forged a new, post-VRA marketing strategy by forming a Far East component shopping unit, changing its small-car production plans, placing a "firm order" for up to 200,000 more small cars per year from Japanese trading partner Mitsubishi Motors and shifting its capital spending plans into upscale products.

While other U.S. auto makers assessed their options following the Reagan Administration's decision to end the Voluntrary Restraint Agreement which limited Japanese-built car exports to the U.S., Chrysler struck quickly and implemented what Chairman Lee Iacocca called "Plan B."

Iacocca, one of the most outspoken critics of the plan to let VRA expire, said the changes were necessary because of "a new set of rules—free trade, high dollar and cheap gas."

He said he expects the total U.S. car market to remain cyclical between 9.0 and 11.0 million units for the next several years with "foreign nameplates" selling at about 4.5 million units a year.

The new component shopping unit, International Business Development, to be headed by Chrysler Executive Vice President Stephan Sharf, will be charged with increasing Chrysler's overseas purchases of parts and components and seeking joint ventures.

The new small-car strategy includes not only ordering 200,000 more units annually from Mitsubishi, but also altering U.S. production plans. The subcompact P-car, to be introduced as a 1986½ model next year, has been upgraded and will include the 2.2-liter engine, turbochargers and other high-trim items.

Initial P-car planning volume was reduced to 150,000 units per year from 300,000. It will be built alongside the LeBaron GTS and Lancer H-car models at Sterling Heights, Mich., not at Belvidere, Ill., as originally planned.

The production run of L-cars—Omni, Horizon, Turismo and Charger—originally scheduled to end with the 1985 model year, will be extended two years or "for as long as they remain competitive," Iacocca said.

There are no current plans for the Belvidere plant after the L-car run ends. However, Iacocca said he would "move heaven and earth" to keep the plant in operation.

Chrysler also canceled plans to build or acquire a new North American plant. The company terminated its option to acquire the Western Electric Co. plant in Indianapolis and forfeited its $600,000 deposit on the vacant Caterpillar plant in Peoria.

Iacocca said the company has no current plans to build cars in Japan or Korea, but he said he

Continued on Page 53, Col. 1

Honda's latest

Acura Integra debuts in Japan

The latest Honda, called Quint Integra in Japan and Integra in the U.S., will be handled by the auto maker's new division, Acura. The coupe is based on the Civic underbody and has been launched in Tokyo. The nose and tail have been lengthened to give the car a sleek look. Story on Page 30.

Dealers see little impact

By Dan McCosh
Detroit Reporter

Dealers contacted by Automotive News feel there will be little immediate impact on their business as a result of President Reagan's announcement that he will not ask for an extension of the Voluntary Restraint Agreement with the Japanese limiting exports of cars to the U.S.

Most dealers handling Japanese cars said they expect the Japanese themselves to impose informal restraints, fearing a reaction to a flood of shipments. Domestic-car dealers mainly remain confident they are in a more competitive position than when the VRA was first imposed in 1981.

"We don't expect any real changes," said Bud Davidson, Honda sales manager for Sunny King Honda in Anniston, Ala. "We've been selling down our in-

Continued on Page 51, Col. 4

Project 52 car a victim of French firm's financial woes

AMC won't sell larger '86 Renault

By Jean-Jacques Renaux
Special Correspondent

GENEVA.—American Motors and Renault have canceled a plan to introduce in the U.S. a new compact car, bigger than the Renault Alliance/Encore, that was due to appear in 1986.

This was confirmed by Jose Dedeurwaerder at the opening of the Geneva Auto Show here last week.

Because of that decision, AMC won't have any new-car model of some volume to add to its current range before October, 1987, the planned lauch date for the Brampton (Ont.)-made intermediate car previously announced.

The aborted project concerned a sedan that was code-named Project 52. Specifically aimed at the U.S. market, it had been designed in Detroit where the development prototypes were made.

The car was to be built in Europe, however. Final assembly was to take place in Renault's plant in Brussels, Belgium. The 52

Other Geneva show coverage, Page 8.

Project also involved the sourcing of some engines in Mexico.

Dedeurwaerder said the original plan was to lauch the car during the fourth quarter of 1986. Planned volume was 90,000 units a year.

Without that model, he said, "we are going to have two tough years. But it isn't a catastrophe."

Durng that time, AMC will rely on the Jeep program, adding new derivatives to the existing range, and on the existing Alliance/Encore.

AMC will import the Renault Alpine GTA to the U.S. "in order to improve Renault's image and notoriety," but total production capacity for that high-priced performance coupe in France is about 2,000 units a year.

The AMC-Renault 52 Project had received final approval during an AMC board meeting held in January, two days before the French administration dismissed Bernard Hanon, Renault's president.

AMC planned to announce it at a press conference that was to be held in Detroit on Feb. 27. The decision to cancel the whole project was made about Feb. 22, when the AMC board met again.

Georges Besse, Renault's new president, attended that meeting as an observer, not being a member of the AMC board. Hanon was there, too, since he is still one of the five Renault-designated AMC board members.

Dedeurwaerder insisted last week that the decision to cancel Project 52 had nothing to do with Besse and his visit to Detroit. "This was pure coincidence," he said.

The decision was made for financial reasons, it appears, although none of the AMC or Renault managers present in Geneva were ready to go into detail or quote any figures.

The investment program originally involved three parties. AMC was due to participate to the undisclosed total amount. Renault expected the Belgian Government to provide some financial help and was initially due to make up for the balance. Negotiations with the Belgian administration were interrupted, however, in early February, after Besse was named to head Renault, and they never resumed.

A government source in Brussels pointed out last week that the negotiations had not been completed and that the administration had not been officially notified of any decision by Renault.

The whole story raises questions about Renault's support of AMC, although Dedeurwaerder

Continued on Page 51, Col. 1

As nation hails Reagan's VRA decision

Japan to makers: Don't flood U.S.

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—President Reagan's decision not to ask the Japanese to extend their voluntary quota on car exports to the U.S. brought praise from both the Japanese Government and the Japanese automobile industry.

The manufacturers' jubilation was somewhat tempered, however, by a warning from the government not to flood the U.S. market with vehicles. There are indications here that the government is thinking of insituting measures to prevent that from happening.

Keijiro Murata, minister of International Trade and Industry (MITI), hailed President Reagan's anouncement and said MITI would draw up measures in response to the decision while closely watching the situation (exports to the U.S.).

Shortly after the announcement from Washington, Murata urged Japanese auto manufacturers to "avoid torrential" car exports to the U.S. after the Japanese-U.S. agreement on voluntary car export restraints expires at the end of March.

Murata said MITI would study "in close consultation" with the Japanese auto industry during this month whether to take some measures to maintain "modest exports."

However, it is considered difficult, according to industry observers here, for Japan to take effective measures that would not be in violation of the U.S. antitrust laws.

However, MITI officials indicated that the ministry would ask auto manufactuers to restrict shipments to the U.S. to the extent necessary to meet actual demand for Japanese cars, rather than sharply increasing shipments for restocking purposes.

• Takao Fujinami, state minister (chief cabinet secretary and chief government spokesman), also stressed that it is important for the Japanese auto makers to export cars to the U.S. in a prudent manner.

In response to the President's statement, MITI will examine the auto case, fully taking account of the various factors, Fujinami said.

At any rate, the Government of Japan deems it imperative that the Japanese auto companies exercise prudence, based on sound

Continued on Page 18, Col. 1

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breaking news

Midwest for site?

LOS ANGELES.—Mitsubishi Motor Corp. said it is looking at Ohio, Illinois, Indiana or Kentucky as the location of an auto assembly plant.

Moves at Nissan

TOKYO.—Nissan Motor Co. President Takashi Ishihara, reportedly will hand over his position Yutaka Kume, vice president, and become chairman of the company. Katsuji Kawamata, Nissan's current chairman,

See BREAKING NEWS, Page 8, Col. 1

May not adopt U.S. position

Canada mulls future of Japanese-car quota

By Richard Johnson
Detroit Reporter

The removal of Japanese import restrictions in the U.S. doesn't necessarily mean an end to limits on Japanese cars coming into Canada.

Canadian Government officials hope to decide by March 31 whether to continue an agreement which last year restricted Japanese makers to 170,000 cars. But Denis Comeau, of Canada's Ministry of International Trade, said President Reagan's decision to let the U.S. Government-backed Voluntary Restraint Agreement die won't dictate the future of restraints north of the border.

"Of course, the implications of the President's decision are being analyzed," he said. "But in the end, our ministers will be making a decision based on the interests of Canada."

Both Ford of Canada and Chrysler Canada have supported continuation of a quota. General Motors—which opposed restraints in the U.S.—has taken a different position in Canada.

While not openly in favor of restrictions, GM of Canada has urged the government to assure that off-shore producers are not given an unfair advantage over firms which have invested heavily in the country.

Meanwhile, Japanese dealer interests in Canada have said removal of restraints in the U.S. is a sign that Canadian restrictions should also come off. Opponents of the quota have cited a recent government report which linked restraints with a shortage of small-car selection and price increases.

Limits on Japan's share of the Canadian market were set in 1981, at the same time the Voluntary Restraint Agreement for the U.S. was established. Japanese companies had captured 22 percent of Canada's auto sales before limitations were imposed.

Under a revised one-year extension which took effect April 1, 1984, Japanese auto makers were held to no more than 18 percent of the passenger-car market. The agreement specified that if total new-car sales for the 1984 calendar year reached 943,000 the Japanese allocation would rise to a maximum of 170,400 for the year ending March 31, 1985. Auto sales totaled 964,357 in Canada last year.

Comeau said the future of restraints is currently being weighed by Canada's ministers of International Trade, Finance and Regional Industrial Expansion. International Trade Minister James Kelleher visited Japan in February to discuss auto imports.

Don Megaffin, a Honda dealer in Halifax, N.S., and president of the Canadian Assn. of Japanese Automobile Dealers (CAJAD), said he is "optimistic with my fingers crossed."

"It is hard to believe Canada would go on its own and continue with restrictions," he said.

Megaffin predicted that the Japanese manufacturers would not unleash a tidal wave of cars in Canada if restraints are lifted. He said Japanese volume would probably increase from the current level of 170,000 to a range of 200,000-210,000.

He said restraints have forced Japanese makers to concentrate on higher-priced models and opened doors at the subcompact end for companies like Hyundai, the Korean manufacturer.

Hyundai began selling its Pony subcompact in Canada last year and quickly captured 11 percent of the country's import market with sales of more than 25,000 units.

A spokesman for Ford of Canada said the company has asked the Canadian Government to extend the quota for another year.

"From our perspective, the Canadian market has not fully recovered to the level we think it should be at," he said. Despite two years of profits in Canada, he said, the company has not made up for the lean years.

"There is no need for the restraints to come off just because they came off in the U.S.," said a spokesman for Chrysler Canada.

Although GM opposed Japanese restraints for the U.S., it is taking a different line in Canada.

"There are substantial differences in the U.S. and Canadian auto markets," said a spokesman for GM of Canada. "What applies to the U.S. doesn't necessarily apply to Canada."

While GM has not come out in favor of restraints, he said the company believes it is up to the government to assure that companies like GM which have invested heavily in the country do not get unfavorable treatment.

Chrysler pact with Lotus is for 16-valve head

GENEVA.—Chrysler Corp.'s engineering agreement with Lotus is for a high-performance cylinder head for the 2.2-liter engine made at Trenton, Mich.

The 16-valve head will be produced in both normally aspirated and turbocharged form beginning in 1988, but no other details are available.

Mike Kimberley, managing director of Lotus, signed the deal in Detroit March 1. It was the culmination of two years of discussions by Lotus.

"It is a substantial agreement for us, though not necessarily by Chrysler standards," Kimberley said at the auto show here.

Whether the contract will be extended to include the high-performance V-8 engine which Lotus is preparing is not known. The British sports-car manufacturer plans to use the V-8 in its own Etna coupe, but only if it can sign a volume order to supply another manufacturer.

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60th year—No. 5065

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Volvo, Bertone team up for 780

Volvo unveiled its new 780 coupe at the Geneva Auto Show last week. It is built by Bertone and is based on the chassis and running gear of the 760 sedan. The 780 will go on sale this fall for more than $30,000.

$30,000 coupe aimed primarily at U.S.

Bertone's Volvo 780 unveiled

GENEVA.—The new Volvo 780 coupe—unveiled amid much pomp at the auto show here last week—is a car aimed primarily at the U.S.

The Bertone-built two-door will go on sale this fall at a price in excess of $30,000.

Roger Holtback, Volvo Car Corp. chief executive, identified coupe versions of the Mercedes-Benz S-class, Jaguar XJ-S, BMW 6-Series and Lincoln Mark VII as the competition.

The 780 is unusual in that development costs have been shared equally by Volvo and Bertone, the Italian coachbuilder. Only 1,000 will be built in the first year —starting in May—but Holtback said that annual volume could rise as high as 4,000.

In the initial stages, the 780 will be sold only in the U.S. and Italy. Deliveries to other countries will not take place until the fall of next year.

The U.S. version will be powered by a 2.5-liter turbocharged version of the current V-6 gasoline engine. It will produce 163 HP and have a top speed of 122 MPH. In Italy, Volvo will sell a 129-HP turbodiesel version.

The 780 is based on the chassis and running gear of the 760 sedan, but it has bigger tires and is fractionally longer and lower. Volvo will supply chassis to Bertone in Turin, where the distinctive bodywork and luxury trim will be fitted.

Volvo's coupe was one of the few new products being shown in Geneva. Rolls-Royce Motors displayed Project 90, a coupe reminiscent of the Bentley Continental. The interior is that of the Bentley Mulsanne Turbo. There is no production decision.

Citroen appears set on producing a design exercise each year. This year's is the Eole (pronounced Ayol), about the same category as the current CX sedan. Pininfarina displayed a special body to celebrate its long association with Peugeot.

Spain's Seat planning to enter U.S. market

By Richard Feast
European Editor

GENEVA.—Seat, Spain's state-owned auto maker, is making plans to enter the U.S. market in 1988. It wants to appoint an importer immediately so the company can be fully involved with Seat in planning the products and strategy.

It will go to the U.S. with the second-generation Ibiza model to be launched in three years. The Ibiza will be a sedan and hatchback in the low-priced end of the market. The car will have Porsche-designed engines and styling by Ital Design's Giugiaro.

It will be pitched into the competitive Japanese sector and may prove to be serious competition for the forthcoming cars from Hyundai and Yugo.

Seat commercial director Juan Diaz Ruiz believes that Seat eventually could sell 40,000 to 50,000 Ibizas a yeart in the U.S.

The plan will go ahead regardless of any agreement that is made by Volkswagen and Seat. The two companies are negotiating financial links to complement their current production and marketing ties.

While Seat makes the Polo in Spain for sale through the VW network and also retails VW and Audi in Spain, there is no VW stake in the loss-making Seat group. INI, the Spanish state

Continued on Page 51, Col. 1

From Ford of Europe

Ford of Europe previewed the Sierra RS Cosworth at the Geneva Auto Show last week. The car has a deep front spoiler and an enormous rear wing. It will go into production in the last quarter of 1985 in Genk, Belgium.

Ford exhibits Sierra with Cosworth engine

GENEVA.—Ford of Europe previewed a 200-HP Sierra powered by a Cosworth engine at the international auto show here.

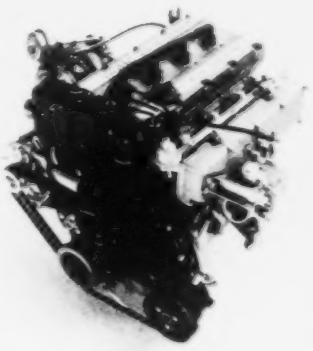
The Sierra RS Cosworth will go into production at Genk, Belgium, in the fourth quarter of this year. Ford will sell the car in the 15 major European markets during 1986, when an application for certification in Group A motorsports events will be made. Group A requires a minimum production run of 5,000 units.

Cosworth's development embraces a 16-valve cylinder head, Garrett AiResearch T3 turbocharger and Weber/Marelli electronic engine management. But it uses the Sierra's regular four-cylinder, 2-liter engine block.

The result, predicts Ford, will be a car capable of 150 MPH and acceleration from rest to 60 MPH in less than seven seconds.

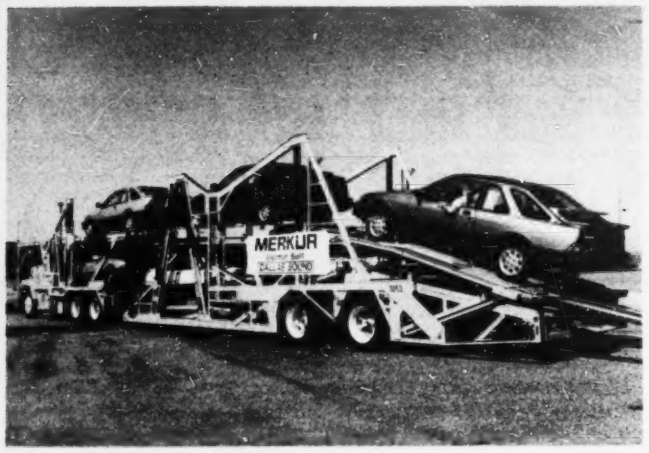
Other modifications to the three-door car include a Borg-Warner close ratio 5-speed gearbox, a viscous coupling limited slip differential and anti-lock braking. It has a deep front spoiler, other bodywork modifications and—most noticeable of all —an enormous rear wing.

The Cosworth version was an eve-of-show announcement. Ford had already revealed details of the four-wheel-drive Sierra XR4x4 which is also featured on its stand here.



Power plant

Ford of Europe's Sierra RS Cosworth, previewed at the Geneva Auto Show, employs a 16-valve cylinder head and Garrett AiResearch T3 turbocharger. It uses the Sierra's regular four-cylinder, 2-liter engine block.



Merkurs bound for Dallas

A load of 1985 Merkurs from Ford of Germany is readied for shipment from Ford's Predelivery Center in Houston to Dallas-area Lincoln-Mercury dealers. Houston is one of five U.S. ports of entry where Merkurs are checked before shipment by truck convoy to dealers.

But car-sales total of 838,607 trails a year ago

Domestics ignite at month-end

By Jenny L. King
Detroit Reporter

The new-car market held its own in February with imports up 3.80 percent and the domestics bouncing up and down, then 'way up in the three reporting periods, finishing the month ahead on a daily-rate basis but off in units.

The sales total for the second month of the year was 838,607, off 0.31 percent from 841,234 in the year-earlier month. Domestic sales numbered 645,317, down 1.48 percent from 655,016 a year earlier. The imports claimed 23.05 percent of the February total, based on sales of 193,290. A year ago, 186,218 imported cars were delivered, representing 22.14 percent of the market.

Domestic sales shot up 15.79 percent on a daily-rate basis the final February period, to a healthy daily rate of 35,905 from a 31,008 average in 1984. For the full month, the daily rate was 26,888, up 2.62 percent from 26,201 in 1984.

Year-to-date domestic sales were up 2.82 percent, to 1,273,354 from 1,238,445. The imports were up 4.97 percent, to 400,302 from 381,347. Industry total for the first two months of this year was up 3.97 percent, to 1,673,656 from 1,609,792.

Chrysler Corp. reported a 27.03-percent year-to-year increase in February and carved out its largest monthly hunk of the domestic market in recent years, 15.83 percent. Chrysler sales for the month totaled 102,162, compared with sales of 80,425 new passenger cars 12 months ago when the auto maker claimed 12.28 percent of the domestic market.

Ford Motor Co. counted sales of 166,862 units, up 1.02 percent from 165,170 in 1984. Honda was up 28.10 percent, to 13,342 from 10,415.

General Motors reported a sales drop of 7.30 percent for the month, to 346,616 from 373,910. Volkswagen was down 6.28 percent, to 6,236 from 6,654 and American Motors was down 45.24 percent, to 10.099 from 18,442.

Chrysler gained more than 2.5 percentage points in the domestic market in February, growing to 15.83 percent from 12.28 percent. Ford was up slightly, to 25.86

Continued on Page 50, Col. 3

Where auto market was, February, 1985

	Total Sales	Pct. of Total
SUBCOMPACT	132,693	15.82
COMPACT	145,850	17.39
INTERMEDIATE	220,169	26.26
STANDARD	81,170	9.68
LUXURY	65,435	7.80
IMPORTS	193,290	23.05
TOTAL	838,607	100.00

Michigan OK's seat-belt law; 4th in nation

LANSING.—A bill requiring use of seat belts in Michigan has passed the legislature and was due to be signed into law by Gov. James Blanchard on Friday, March 8.

The law, which applies to drivers and front-seat passengers in vehicles made since Jan. 1, 1965, is due to take effect July 1. Violators will pay a $10 fine until Jan. 1, 1986, when the penalty will increase to $25.

Michigan is the fourth state to approve mandatory seat-belt-use legislation, following New York, New Jersey and Illinois. New York's law is now in effect, New Jersey's law is effective March 1 and the Illinois statute takes effect July 1.

MVMA hailed passage in Michigan as a "milestone on the road to enactment of legislation in all 50 states."

U.S. Transportation Secretary Elizabeth Dole ruled last year that auto manufacturers must install costlier passive-restraint systems unless states representing two-thirds of the nation's population approve seat-belt-use laws by 1989. MVMA expects that 40 other states will consider belt-use legislation during 1985.

'Drive closer, Charley, I can't see the invoice'

Niles, Mich.—An unexpected "headlight sale" was held here one night last week at Ray Hara's King Datsun.

When a windstorm that battered the area disrupted electrical service, the dealerhip's sales managers, Graham Grimes and Sonny Baackes, turned on the headlights of all 20 cars on the showroom floor and had the salesmen continue to wait on customers.

From 7 p.m., when the showroom lights went out, until 9:30 p.m., when the last customer departed, King Datsun sold 12 cars.

A news crew from Channel 2 television happened by and recorded the activity on minicam.

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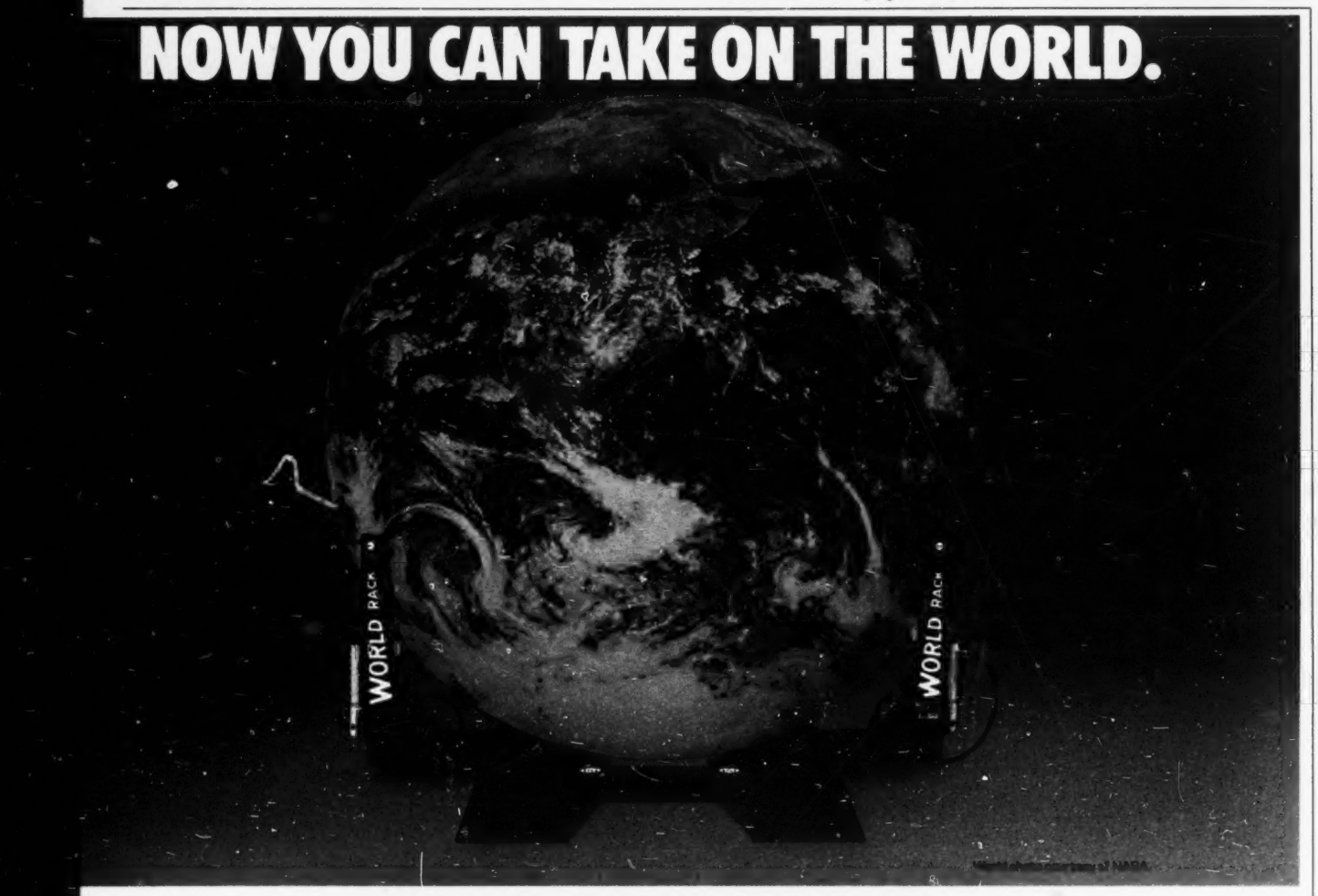

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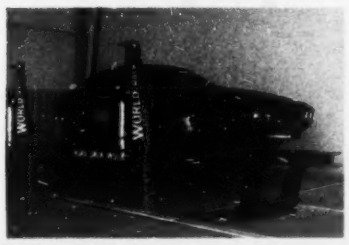

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Automotive News
1985 Market Data Book
April 24, 1985

25.54 pct. of November registrations

Market share rises for imports

By Jenny L. King
Detroit Reporter

New imported cars claimed a larger piece of the total U.S. market in November, 1984, than they had the preceding month as well as for November, 1983, according to registration figures compiled by R.L. Polk & Co.

Imports represented 25.54 percent of the November, 1984, total, up from 24.97 percent in October and up from 25.08 percent in November, 1983. Their numbers were up 18.52 percent year to year in November, to 208,481 from 175,902.

Honda and Nissan made the largest gains in market shares over a year's time. Honda was up 1.62 percentage points, to 19.76 percent from 18.14 percent, and Nissan moved up an even 1.00 percentage point, to 19.00 percent from 18.00 percent.

Other makes to better their positions were BMW, up 0.28 percentage points, and Mercedes-Benz, which was up 0.20 points.

Toyota's share of the November market dropped 1.85 percentage points; VW was down 1.47 percentage points; Mazda, 0.45 percentage points; Subaru, 0.02 percentage points, and Volvo, 0.80 percentage points.

The top 10 imports earned 87.49 percent of the import market, down from 88.44 percent in November, 1983.

Registrations for the 11 months pushed close to 2.3 million and were up 3.58 percent over the figure from 1983. Year-to-date registrations were 2,298,121 versus 2,218,776.

With its numbers for the 11 months down more than 30,000 units, Toyota yielded 2.09 percentage points. Nissan, also down 30,000, dropped 2.11 percentage points while Honda, buoyed by registrations of its U.S.-built cars plus the imports, garnered 3.41 added percentage points over a year's time.

European makes all increased their shares of the total and the remaining Japanese brands, Mazda and Subaru, had less of the pie. VW was up 0.48 percentage points; Volvo, 0.12 percentage points; Mercedes-Benz, 0.05 percentage points, Audi, 0.93 percentage points, and BMW, 0.36 percentage points.

Mazda dropped to 6.55 percent from 7.00 percent in 1983, and Subaru was down to 5.81 percent from 6.02 percent.

Ten imports had 89.43 percent of the year-to-date market, up from 88.94 percent in 1983.

Restrictions on Japanese imports were evident as their share of the import total continued to decline both on a month-to-month basis and over the longer year-to-date stretch. Japanese cars represented 73.44 percent of the November, 1984, total, down from 75.45 percent the preceding year. German products were up to 11.88 percent from 10.57 percent and U.S.-built Hondas and VWs were up to 7.75 percent from 6.30 percent.

Following is a list of units from the eight major countries included in import registrations:

	Nov., 1984	Nov. 1983
Japan	153,106	132,711
West Germany	24,777	18,588
United States	16,166	11,085
Sweden	9,530	9,085
France	2,506	2,880
Great Britain	1,839	1,071
Italy	541	402
Ireland	16	80
TOTAL	208,481	175,902

Year-to-date penetration for the Japanese auto makers decreased to 72.10 percent from 76.88 percent. German makes were up to 12.41 percent from 10.33 percent and U.S. products grew to 8.07 percent from 5.02 percent. Cars from countries of origin the first 11 months of 1984 compared with 1983 included:

	11 Mos., 1984	11 Mos., 1983
Japan	1,656,992	1,705,702
West Germany	285,234	229,102
United States	185,440	111,354
Sweden	118,669	105,812
France	28,765	43,700
Great Britain	16,212	13,867
Italy	6,473	8,315
Ireland	336	924
TOTAL	2,298,121	2,218,776

November registrations of new imported trucks were up 57.80 percent, to 59,315 from 37,589. Numbers from the major importers included:

	Nov., 1984	Nov., 1983
Toyota	22,705	12,236
Nissan	15,065	8,746
Mazda	9,212	6,473
Dodge Ram 50	5,026	3,052
Others	7,307	7,082
TOTAL	59,315	37,589

Imported-truck registrations January through November were up 51.93 percent from 1983 to 1984, to 674,296 from 433,830. The breakout of the top four featured:

	11 Mos., 1984	11 Mos., 1983
Toyota	261,781	156,110
Nissan	176,661	120,194
Mazda	105,970	62,199
Dodge Ram 50	45,346	29,360
Others	84,538	75,967
TOTAL	674,296	443,830

Echlin purchases Raymark division

BRANFORD, Conn.—Echlin, Inc., and Raymark, Inc., Trumbull, Conn., have signed a letter of intent under which Echlin will purchase certain assets of Raymark's Brake Systems Division for approximately $55 million.

The Raymark division is a manufacturer and marketer of friction materials and a marketer of hydraulic brake parts for the automotive and truck replacement markets, sold under the brand names of Raybestos and Grey Rock. The division had sales of $105 million for the first nine months of 1984.

TOP CARS

U.S. registrations for the first eleven months of 1984. Oklahoma and New York, 1984, from manufacturers' sales records. Oklahoma, 1983 not available.

1984 Position		Make		1983 Position
1—	1,429,954	Chevrolet	1,174,081	— 1
2—	1,174,713	Ford	923,101	— 2
3—	962,457	Oldsmobile	872,159	— 3
4—	844,673	Buick	738,350	— 4
5—	632,206	Pontiac	475,189	— 6
6—	478,031	Mercury	355,258	— 9
7—	460,325	Toyota	490,866	— 5
8—	448,508	Honda	357,447	— 8
9—	437,560	Nissan	469,201	— 7
10—	330,939	Dodge	277,197	—10
11—	294,670	Chrysler	228,755	—13
12—	282,995	Cadillac	259,475	—11
13—	259,072	Plymouth	233,933	—12
14—	176,284	AMC	169,758	—14
15—	150,482	Mazda	155,372	—15
16—	143,302	VW	127,678	—17
17—	133,503	Subaru	133,484	—16
18—	131,141	Lincoln	87,900	—18
19—	88,237	Volvo	82,522	—19
20—	67,256	Mercedes	63,954	—20
21—	63,592	Audi	40,734	—22
22—	62,287	BMW	52,041	—21
	243,069	Other Imports	245,477	
	254	Misc. Dom.	594	
	9,295,510	TOTAL	8,014,526	

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report.
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MARKET SHARES

11 MONTHS
1984 VS. 1983

Make	1984 Market Share	1983 Market Share	Pct. Pt. Change '84 vs. '83
Chevrolet	15.38	14.65	+0.73
Ford	12.64	11.52	+1.12
Oldsmobile	10.35	10.88	−0.53
Buick	9.09	9.21	−0.12
Pontiac	6.80	5.93	+0.87
Mercury	5.14	4.43	+0.71
Toyota	4.95	6.12	−1.17
Honda	4.82	4.46	+0.36
Nissan	4.71	5.85	−1.14
Dodge	3.56	3.46	+0.10
Chrysler	3.17	2.85	+0.32
Cadillac	3.05	3.24	−0.19
Plymouth	2.79	2.92	−0.13
AMC	1.90	2.12	−0.22
Mazda	1.62	1.94	−0.32
VW	1.54	1.59	−0.05
Subaru	1.44	1.67	−0.23
Lincoln	1.41	1.10	+0.31
Volvo	0.95	1.03	−0.08
Mercedes	0.72	0.80	−0.08
Audi	0.68	0.51	+0.17
BMW	0.67	0.65	+0.02
Other Imports	2.62	3.06	−0.44
Misc. Dom.	0.00	0.01	−0.01
TOTAL	9,295,510	8,014,526	

Based on new-car registrations from R. L. Polk & Co. Oklahoma and New York, 1984, from manufacturers' sales records. Oklahoma, 1983, not available.

IMPORT REGISTRATION SHARES IN U.S.

	NOVEMBER					ELEVEN MONTHS				
	Regis., Nov., 1984	Percent Share of Market	Regis., Nov., 1983	Percent Shareof Market	Pct. Pt. Change '84 vs. '83		Regis., 11 mos., 1984	Percent Share of Market	Regis., 11 mos., 1983	Percent Share of Market	Pct. Pt. Change '84 vs. '83
Toyota	41,775	20.04	38,506	21.89	−1.85	Toyota	460,325	20.03	490,866	22.12	−2.09
Honda	41,183	19.76	31,901	18.14	+1.62	Honda	448,508	19.52	357,447	16.11	+3.41
Nissan	39,615	19.00	31,661	18.00	+1.00	Nissan	437,560	19.04	469,201	21.15	−2.11
Mazda	13,915	6.67	12,519	7.12	−0.45	Mazda	150,482	6.55	155,372	7.00	−0.45
Subaru	11,513	5.52	9,749	5.54	−0.02	VW	143,302	6.23	127,678	5.75	+0.48
VW	9,821	4.71	10,873	6.18	−1.47	Subaru	133,503	5.81	133,484	6.02	−0.21
Volvo	6,668	3.20	7,028	3.99	−0.80	Volvo	86,237	3.84	82,522	3.72	+0.12
Mercedes	6,413	3.08	5,064	2.88	+0.20	Mercedes	67,256	2.93	63,954	2.88	+0.05
BMW	5,772	2.77	4,388	2.49	+0.28	Audi	63,592	2.77	40,734	1.84	+0.93
Audi	5,722	2.74			—	BMW	62,287	2.71	52,041	2.35	+0.36
Dodge Colt			3,886	2.21	—						
Others	26,084	12.51	20,327	11.56	+0.95	Others	243,069	10.57	245,477	11.06	−0.49
TOTAL	208,481		175,902			TOTAL	2,298,121		2,218,776		
Share of U.S. Total		25.54		25.08	+0.46	Share of U.S. Total		24.72		27.68	−2.96

1984 numbers for New York State and Oklahoma from manufacturers' sales records. Oklahoma, 1983, not available.

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NEW-CAR MARKET SHARES IN U.S.

	NOVEMBER					11 MONTHS				
	Regis., Nov., 1984	Percent Share of Market	Regis., Nov., 1983	Percent Share of Market	Pct. Pt. Change '84 vs. '83	Regis., 11 Mos., 1984	Percent Share of Market	Regis., 11 Mos., 1983	Percent Share of Market	Pct. Pt. Change '84 vs. '83
Chevrolet	113,877	13.95	105,011	14.97	−1.02	1,429,954	15.38	1,174,081	14.65	+0.73
Ford	110,726	13.56	90,940	12.96	+0.60	1,174,713	12.64	923,101	11.52	+1.12
Buick	75,707	9.27	64,302	9.17	+0.10	844,673	9.09	738,350	9.21	−0.12
Oldsmobile	73,517	9.01	78,472	11.19	−2.18	962,457	10.35	872,159	10.88	−0.53
Pontiac	52,189	6.39	48,036	6.85	−0.46	632,206	6.80	475,189	5.93	+0.87
Mercury	43,998	5.39	32,493	4.63	+0.76	478,031	5.14	355,258	4.43	+0.71
Dodge	31,514	3.86	23,610	3.37	+0.49	330,939	3.56	277,197	3.46	+0.10
Chrysler	27,675	3.39	20,787	2.96	+0.43	294,670	3.17	228,755	2.85	+0.32
Cadillac	26,993	3.31	24,218	3.45	−0.14	282,995	3.05	259,475	3.24	−0.19
Plymouth	24,771	3.03	16,838	2.40	+0.63	259,072	2.79	233,933	2.92	−0.13
AMC	14,608	1.79	13,960	1.99	−0.20	176,284	1.90	169,758	2.12	−0.22
Lincoln	12,339	1.51	6,847	0.98	+0.53	131,141	1.41	87,900	1.10	+0.31
GENERAL MOTORS	342,283	41.93	320,039	45.63	−3.70	4,152,285	44.67	3,519,254	43.91	+0.76
FORD MOTOR CO.	167,063	20.46	130,280	18.57	+1.89	1,783,885	19.19	1,366,259	17.05	+2.14
CHRYSLER CORP.	83,960	10.28	61,235	8.73	+1.55	884,701	9.52	739,885	9.23	+0.29
AMC	14,608	1.79	13,960	1.99	−0.20	176,284	1.90	169,758	2.12	−0.22
IMPORTS	208,481	25.54	175,902	25.08	+0.46	2,298,121	24.72	2,218,776	27.68	−2.96
MISC. DOMESTIC	19	0.00	32	0.00	−0.00	254	0.00	594	0.01	−0.01
TOTAL	816,414		701,448			9,295,510		8,014,526		

Automotive News analysis of new-car registrations based on R.L. Polk & Co. statistical report. New York, Oklahoma, 1984, from manufacturers' sales records. Oklahoma '83 figures not available.

Domestics up 15 pct.; imports, 18 pct. in November

Month's registrations best since '78

By Jenny L. King
Detroit Reporter

November new-car registrations climbed well above their 1983 level and were strongest for the month since 1978, though they were below the October total and were third lowest of the 1984 calendar year.

Total registrations of 816,414 were up 16.39 percent from 701,-

Table on Page 53.

448 in November, 1983, according to figures compiled by R.L. Polk & Co. The October sum was 834,-300, a difference of 2.14 percent.

The domestics' November figure of 607,933 was up 15.68 percent from 525,546 for the same month in 1983 and down 2.88 percent from 625,970 in October, 1984.

Import registrations were up 18.52 percent November to November, to 208,481 from 175,902. Their share of the market edged up to 25.54 percent from 25.08 percent.

Largely as a result of UAW strikes during the fall, General Motors dropped 3.70 percentage points in November market penetration as Ford Motor Co., Chrysler Corp. and the imports picked up the pieces. GM slipped to 41.93 percent from 45.63 percent of the total November market. Ford was up 1.89 percentage points, Chrysler gained 1.55 percentage points and imports were up 0.46 percentage points.

American Motors dropped to 1.79 percent from 1.99 percent year to year and miscellaneous domestics remained infinitesmal with 19 registrations last November versus 32 in 1983.

Excluding imports, the November market was split in this fashion: GM at 56.30 percent, Ford at 27.48 percent, Chrysler at 13.81 percent, AMC at 2.41 percent and miscellaneous at 0.00 percent. A year earlier GM had 60.89 percent, Ford had 24.79 percent, Chrysler had 11.65 percent, AMC had 2.66 percent and miscellaneous had 0.01 percent.

The imports' 25.54-percent share of the November market was followed by 25.06 percent for domestic intermediates. Compacts had 17.92 percent, subcompacts had 12.22 percent, standards had 10.30 percent and luxury cars had 8.96 percent.

A year earlier, the largest market share went to intermediates—27.29 percent—followed by imports at 25.08 percent, compacts at 18.15 percent, standards at 12.08 percent, subcompacts at 11.68 percent and luxury models at 5.72 percent.

January through November registrations were up 15.98 percent, to 9,295,510 from 8,014,526. The 1984 total was 33.00 percent ahead of the 6,988,889 posted two years earlier.

Domestics were up 20.73 percent, to 6,997,381 from 5,795,750 and imports climbed 3.58 percent, to 2,298,121 from 2,218,776.

In the 11 months, imports, AMC and miscellaneous domestics yielded market shares to Chrysler, Ford and General Motors.

Ford was up 2.14 percentage points in penetration, to 19.19 percent from 17.05 percent. Chrysler was up 0.29 percentage points, to 9.52 percent from 9.23 percent, and GM gained 0.76 percentage points, going to 44.67 percent from 43.91 percent.

The imports' year-to-date share of the market dropped 2.96 percentage points, to 24.72 percent from 27.68 percent. AMC was down to 1.90 percent from 2.12 percent and miscellaneous domestics dropped from 0.01 percent to no penetrations.

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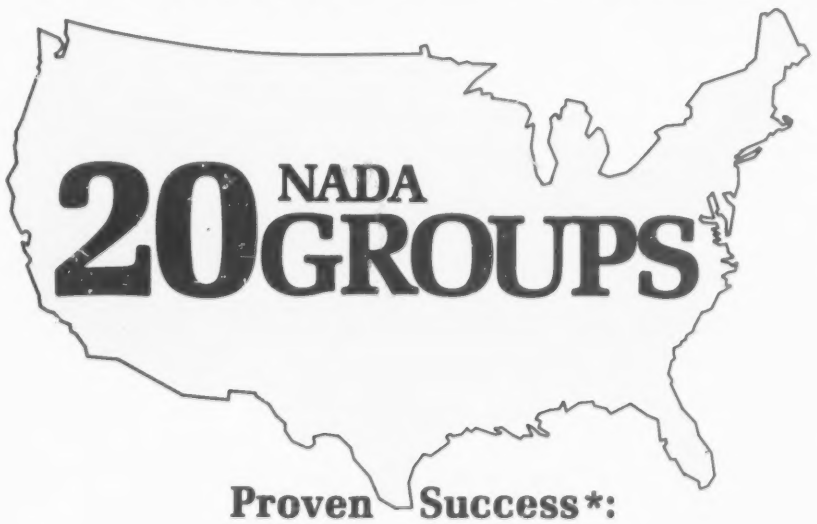

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Allison Gas Turbine plant begins major overhaul

INDIANAPOLIS.—The Allison Gas Turbine Division of General Motors is launching a major modernization and technology improvement program aimed at transforming the division's manufacturing operations into a "factory of the future."

The first phase of the program will take three years to accomplish, according to F. Blake Wallace, division general manager. During that time, the division will install new integrated manufacturing, quality assurance and information management systems. The added investment by GM will be $112 million.

"This will enable us to preserve the jobs we now have," Wallace said, "and, hopefully, would create more jobs in the future."

Allison is a major designer and manufacturer of gas-turbine engines for aircraft, vehicular and industrial/marine power systems.

Wallace said other elements of Allison's strategy—increased product development, a revised management structure and expanded marketing—have been under way since 1983, when GM separated the gas-turbine business from Detroit Diesel Allison Division and set up the Allison Gas Turbine Division as a separate business operation.

Explaining some details of the program, Wallace said the new systems fall into three basic categories that will interface with one another. These are flexible, computer-integrated manufacturing; computer-aided engine design, and data management communications.

The first installation which will incorporate these systems is a precision gear manufacturing center. Typical of the new machinery and equipment to be installed, this center will be completely computer controlled.